

## Message Text

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ACTION EB-07

INFO OCT-01 ISO-00 AF-08 ARA-06 EA-07 EUR-12 NEA-10 STRE-00

FEA-01 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03

H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01

AID-05 CIEP-01 SS-15 STR-04 ITC-01 TRSE-00 USIA-06

PRS-01 SP-02 OMB-01 OIC-02 IO-13 /139 W

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P R 081920Z JUL 76

FM USDEL MTN GENEVA

TO SECSTATE WASHDC PRIORITY 1725

INFO ALL OECD CAPS 046

AMEMBASSY BRAZILIA

AMEMBASSY BUENOS AIRES

AMEMBASSY MEXICO CITY

AMEMBASSY NEW DELHI

LIMITED OFFICIAL USE SECTION 1 OF 2 MTN GENEVA 5412

PASS STR

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E.O. 11652: N/A

TAGS: ETRD, MTN

SUBJ: TARIFFS GROUP MEETING - JULY 7, 1976

1. SUMMARY. SEE MTN GENEVA 5363.

2. EC DEL (DUGIMONT) OPENED MEETING WITH PRESENTATION OF  
COMMUNITY'S TARIFF-CUTTING PROPOSAL, I.E., Y EQUALS X  
ITERATED FOUR TIMES. EC STATED THE GROUP SHOULD NOT  
MISTAKE PRESENTATION OF DEFINITIVE PROPOSAL IN TARIFFS  
GROUP AS AN INDICATION THAT EC WAS GIVING EMPHASIS TO THE  
WORK OF THIS GROUP OVER WORK IN OTHER GROUPS. ITS AGREE-  
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MENT ON A TARIFF-CUTTING PROPOSAL WOULD ONLY BE OBTAINED  
IF THERE WAS PARALLEL PROGRESS IN THE NTM GROUPS, ESPECIALLY  
IN THOSE THEY VIEWED AS MOST IMPORTANT. IN DESCRIBING  
RATIONALE FOR PROPOSAL, EC STATED THAT INEQUALITIES IN

TARIFF STRUCTURES, AS WELL AS INEQUALITY IN THE GATT OBLIGATIONS OF COUNTRIES RESULTING FROM DIFFERENCES IN THE LEVEL OF TARIFF BINDINGS, DICTATED THE NEED FOR A HARMONIZATION TECHNIQUE OF THE FORM  $Y = X/4$ . FOUR ITERATIONS USED TO OBTAIN SIGNIFICANT REDUCTIONS THROUGH HARMONIZATION. EC DEFINED SIGNIFICANT REDUCTIONS AS THOSE WHICH PROVIDE FOR A DEEP CUT ON DUTIES WHICH HAVE THE GREATEST EFFECT ON TRADE, I.E., HIGH-DUTY ITEMS IN OTHER DEVELOPED MARKET ECONOMY COUNTRIES' SCHEDULES. OTHER KEY POINTS MADE ON APPLICATION OF THE FORMULA WERE AS FOLLOWS:

A. PRODUCT COVERAGE - FORMULA WOULD ONLY APPLY TO INDUSTRIAL SECTOR (EC DID NOT RPT DID NOT DEFINE INDUSTRIAL SECTOR IN TERMS OF BTN CHAPTERS). AGRICULTURAL TARIFFS SHOULD BE HANDLED THROUGH RULES AND PROCEDURES TO BE FIXED BY THE AGRICULTURE GROUP. EC JUSTIFIED THIS POSITION LATER IN MEETING BY STATING THAT ARSENAL OF PROTECTION OF AGRICULTURAL GOODS MUCH MORE COMPLEX THAN IN THE INDUSTRIAL SECTOR, THEREFORE DICTATING MORE COMPREHENSIVE ATTACK ON BARRIERS THAN IS PROVIDED FOR BY A GENERAL TARIFF FORMULA.

B. ROUNDING- EC HAND-OUT (SENT BY AIRGRAM) SHOWING EXISTING AND NEW RATES AFTER APPLICATION OF  $Y = X/4$  FOUR TIMES USES ROUNDING RULE WHEREBY DUTIES ROUNDED OFF TO NEAREST .5 PERCENT. EC DISCLAIMED THAT THIS REPRESENTED A PROPOSAL ON ROUNDING. ATER, SUBJECT SHOULD UNDERGO FURTHER DISCUSSION AT A LATER TIME.

C. STAGING- NUMBER OF ITERATIONS TO EC PROPOSAL DOES NOT INDICATE EC POSITION ON APPROPRIATE STAGING OF CUTS. EC WISHES TO COME BACK TO THIS QUESTION AT LATER TIME. THEY WISH STAGING RULES TO BE FLEXIBLE SO AS TO MINIMIZE NEED FOR EXCEPTIONS IN CERTAIN CASES AS WELL AS TO PROVIDE SPECIAL AND DIFFERENTIAL TREATMENT FOR LDCS.

D. LEAPFROG EFFECT (ORDER REVERSAL OF FINAL RATES) - EC WOULD SOLVE LEAPFROG PROBLEM BY SETTING CEILING RATE AT 13 PERCENT (ROUNDED RATE) FOR ALL DUTIES OVER 41.5 PERCENT.

E. U.S. 60 PERCENT AUTHORITY LIMIT- EC STATED IT LIMITED OFFICIAL USE  
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HAD TAKEN U.S. AUTHORITY INTO ACCOUNT AND THAT  $Y = X/4$  FOUR TIMES WAS CHOSEN WITH RECOGNITION OF U.S. INABILITY TO REDUCE RATES ABOVE 30 PERCENT BY PERCENTAGE CALLED FOR BY EC FORMULA. EC ALLUDED TO THE EXCESS AUTHORITY U.S. WOULD RETAIN UNDER EC FORMULA ON RATES BELOW 30 PERCENT WHICH COULD BE USED TO BALANCE OFF U.S. DEROGATIONS FROM FORMULA ON RATES ABOVE 30 PERCENT (I.E., DEEPER THAN FORMULA CUTS TO OFFSET U.S. EXCEPTIONS CAUSED BY AUTHORITY LIMITS).

F. THRESHOLD - ROUNDING RULE USED IN EC HAND-OUT RESULTS IN FLOOR/THRESHOLD OF 2.5 PERCENT AD VALOREM. EC CAUTIONED GROUP NOT TO ASSUME THAT THIS IS

THE LEVEL AT WHICH THE EC DESIRES A THRESHOLD TO BE SET, WHILE REITERATING ITS POSITION ON THE DESIRABILITY OF SOME THRESHOLD.

G. CALCULATION OF AVES - EC STATED THAT IT WOULD BE DESIRABLE TO HAVE ONE OR MORE "OFFICIAL" METHODS BY WHICH COUNTRIES WOULD CALCULATE THEIR AD VALOREM EQUIVALENTS. IT SUGGESTED THAT A WORKING GROUP TO DISCUSS THIS MATTER MIGHT BE APPROPRIATE LATER.

H. EXCEPTIONS - EC DOES NOT EXCLUDE POSSIBILITY OF TAKING LIMITED NUMBER OF EXCEPTIONS TO FORMULA. IT MADE CLEAR THAT IT WOULD NOT CONSIDER THE EXCLUSION OF AGRICULTURE AS AN EXCEPTION TO THE FORMULA. FOR TIME BEING, IT FEELS THAT DISCUSSION OF RULES AND PROCEDURES FOR EXCEPTIONS WOULD BE PREMATURE.

I. RECIPROCITY - EC FEELS THAT EXISTING TARIFF STRUCTURES AND LEVELS OF BINDINGS IN INDUSTRIAL COUNTRIES DOES NOT PROVIDE RECIPROCAL TARIFF TREATMENT AMONG THE INDUSTRIALIZED COUNTRIES. EC PROPOSAL IS MEANT TO CORRECT IMBALANCES THAT EXIST TODAY.

J. TREATMENT OF LDCS - EC NOTED THAT IT WAS NOT REQUIRING APPLICATION OF ITS FORMULA BY THE LDCS. THEY DO, HOWEVER, HOPE THAT THE LDCS WILL AT SOME POINT MAKE CONTRIBUTIONS IN THE TARIFFS AREA THROUGH REDUCTION OF SOME RATES AND BY SOME BINDINGS AT EXISTING RATES. IT NOTED THAT EC FORMULA WOULD PROVIDE VERY SUBSTANTIAL REDUCTION IN THE DEGREE OF TARIFF ESCALATION ON MANUFACTURED AND SEMIMANUFACTURED ITEMS. IT REPEATED POSITION THAT SPECIAL AND DIFFERENTIAL TREATMENT BEYOND THE FORMULA COULD BE AGREED UPON BY THE TARIFFS GROUP SIMULTANEOUS LIMITED OFFICIAL USE  
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WITH AGREEMENT ON THE TARIFF FORMULA ITSELF.

3. VIGOROUS RESPONSES WERE MADE TO THE EC FORMULA BY BOTH THE U.S. DEL (AMB. WALKER) AND BY CANADA (GREY). WALKER'S STATEMENT (SENT SEPTEL) STRONGLY DISPUTED EC CLAIM THAT ITS FORMULA HAD EITHER PROVIDED FOR SIGNIFICANT LIBERALIZATION OR MEANINGFUL HARMONIZATION OF RATES. ON LATTER POINT U.S. DEMONSTRATED THAT IN RANGE OF RATES IN WHICH MOST DEVELOPED COUNTRY TARIFFS FALL (5-15 PERCENT AD VALOREM), EC FORMULA PROVIDED FOR LESS HARMONIZATION THAN DID U.S. FORMULA. ON QUESTION OF OVERALL DEPTH OF CUT, U.S. CALLED RESULTS ACHIEVED UNDER EC FORMULA A "PUNY" REDUCTION OF RATES. WALKER ALSO HIT HARD AT AGRICULTURAL EXCLUSION, NOTING THAT IN THIS WAY EC HAD EXCLUDED ITS OWN HIGH RATES FROM TARIFF REDUCTION WHILE AT THE SAME TIME PLACING EMPHASIS ON OBTAINING REDUCTIONS IN OTHERS' HIGH RATES.

4. CANADIAN DEL MADE POINTED STATEMENT, REJECTING THE EC FORMULA AS OFFERING THE CANADIANS VERY LITTLE IN TERMS

OF REDUCTIONS ON RATES AFFECTING THE BULK OF CANADIAN EXPORTS TO THE EC (THOSE BELOW 10 PERCENT). GREY OBSERVED THAT THE EC FORMULA SACRIFICED TOO MUCH IN WAY OF MEANINGFUL REDUCTIONS IN THE NAME OF HARMONIZATION, AND THAT THIS FOCUS ON HARMONIZATION WAS NOTHING MORE THAN WINDOW DRESSING FOR THE PRESERVATION OF DISCRIMINATORY TARIFF APPARATUS FAVORING THE EC AND CERTAIN OTHER COUNTRIES (I.E., EFTA) AT THE EXPENSE OF CANADA, THE U.S. AND OTHER COUNTRIES.

5. JAPAN (UKAWA) TOLD GROUP THAT IT EXPECTED TO TABLE ITS OWN DEFINITIVE FORMULA IN THE FALL. IT RECALLED THAT ITS PREVIOUS WORKING HYPOTHESES TABLED WERE IN THE FORM  $Y = X$ , AND  $Z = AX + B$ . JAPAN STATED THAT "IN THE MAIN" ITSP PROPOSAL WOULD APPLY TO INDUSTRIAL PRODUCTS. IT WOULD ALSO MOST LIKELY INCLUDE A THRESHOLD, WHICH IT STATED WAS DESIRABLE BECAUSE OF THE CONTRIBUTION

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AMEMBASSY BRAZILIA

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OF THIS FEATURE TO HARMONIZATION AND TO PRESERVING GSP MARGINS. IT STRESSED THAT ITS OWN

DELIBERATIONS ON A FORMULA WERE TAKING INTO ACCOUNT THE FACT THAT IN ORDER TO OBTAIN A BARE MINIMUM OF EXCEPTIONS, THE FORMULA SHOULD NOT BE TOO AMBITIOUS.

6. SWEDEN (SPEAKING FOR NORDICS) STATED THAT THE EC FORMULA DID IN FACT HAVE A DEEP CUTTING EFFECT AND DID PROVIDE FOR SIGNIFICANT HARMONIZATION WHICH IT CONSIDERED DESIRABLE. SWEDEN SAID NORDICS WOULD DO AS MUCH AS POSSIBLE TO HELP GROUP ARRIVE AT A COMPROMISE FORMULA.

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7. SWITZERLAND RECALLED ITS PREVIOUS POSITION THAT AS A MATTER OF EQUITY, THE TARIFF-CUTTING FORMULA SHOULD INCLUDE AN ELEMENT OF HARMONIZATION. IT STATED IT WOULD HAVE DEFINITIVE PROPOSAL OF ITS OWN TO MAKE IN THE FALL, PROBABLY IN THE SQUARE ROOT FORM OF THE WORKING GYPOTHESIS TABLED EARLIER.

8. AUSTRIANS SUPPORTED EC POSITION THAT FORMULA SHOULD APPLY ONLY TO INDUSTRIAL GOOD. IT ALSO CAUTIONED GROUP THAT CHOICE OF TOO AMBITIOUS A FORMULA COULD CREATE LONG EXCEPTIONS LISTS. IN COMMENT HELPFUL TO THE U.S., AUSTRIA CRITICIZED THE EC FORMULA FOR THE LACK OF ANY LINEAR ELEMENT, BUT DID NOT EXPAND UPON ITS REASONING IN THIS REGARD. AUSTRIANS FAVOR THRESHOLD, WHICH THEY STATE IS NEEDED IN ORDER TO PRESERVE MARGINS OF PREFERENCES FOR LDCS.

9. AUSTRALIA (RYAN) EXPRESSED DISAPPOINTMENT THAT WHILE EC RECOGNIZED NEED FOR SPECIAL AND DIFFERENTIAL TREATMENT FOR LDCS UNDER A FORMULA, IT DID NOT ALSO ACKNOWLEDGE THE NEED FOR DIFFERENTIATION AMONG THE DCS. THIS DIFFERENTIATION ARGUED FOR "A MORE FLEXIBLE PROCEDURE- IN APPLICATION OF THE FORMULA SO AS TO PERMIT PARTICIPATION BY THE LESS MATURE OF DEVELOPED COUNTRIES. AUSTRALIA WOULD NOT ACCEPT A FORMULA OR FORMULAE WHICH DID NOT COVER PRIMARY COMMODITIES (INCLUDING AGRICULTURE) AS WELL AS MANUFACTURED GOODS. ADDITIONALLY, AUSTRALIA COULD NOT AGREE ON ANY FORMULA UNTIL THE QUESTION OF RULES AND RROCEDURES FOR EXCEPTIONS HAD BEEN RESOLVED.

10. SPECIAL AND DIFFERENTIAL TREATMENT (S&D) - BRAZIL (BARTHEL-ROSA) AND INDIA (CHADHA) SHARED RESPONSIBILITY FOR RESTATING LDC POSITION ONTIMING AND SUBSTANCE OF S&D ON BEHALF OF LDCS. BRAZIL STATED THAT IT HAD THOUGHT A CONSENSUS WAS EMERGING IN THE LAST MEETING THAT CERTAIN MEASURES COULD BE AGREED UPON "IN PRINCIPLE" BY THE DCS. THESE ARE: (A) SPECIAL MEASURES ON TARIFF CUTS, I.E., DEEPER OR LESS-THAN-FORMULA REDUCTIONS; (B) SPECIAL STAGING PROVISIONS, I.E., QUICKER OR SLOWER STAGING OF

CONCESSIONS; AND (C) SPECIAL EXCEPTIONS PROCEDURES WHEREBY  
PRODUCTS WOULD BE INCLUDED OR EXCLUDED FROM DEVELOPED  
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COUNTRIES' EXCEPTIONS LISTS ON THE BASIS OF LDC INTEREST.  
BRAZIL ALSO STATED THAT OTHER KINDS OF S&D STILL WARRANTED  
DISCUSSION. IT MENTIONED BINDING OF PREFERENTIAL RATES AND  
SPECIAL AND PRIORITY ATTENTION TO ITEMS ON WHICH ESCALATION  
PARTICULARLY DISADVANTAGES THE LDCS. ON THE  
MATTER OF PROCEDURES FOR THE DC/LDC NEGOTIATIONS, BRAZIL  
STATED THERE WAS NO LOGIC BEHIND PROPOSAL THAT LDCS SHOULD  
NOTIFY LISTS OF PRODUCTS OF INTEREST TO THEM BEFORE THERE  
HAD BEEN AGREEMENT IN PRINCIPLE ON A SPECIFIC LIST OF  
MEASURES. WITHOUT SUCH AGREEMENT IN PRINCIPLE,  
LDCS COULD NOT MAKE A REASONED AND ACCURATE JUDGMENT OF  
WHAT PRODUCTS SHOULD APPEAR ON THE LIST SINCE  
THEY WOULD NOT KNOW WHAT TYPES OF MEASURES MIGHT BE  
AVAILABLE FOR TREATMENT OF THESE PRODUCTS. INDIAN DEL  
ADDED FOLLOWING ITEMS TO BRAZILIAN LIST: (A) ADVANCED  
IMPLEMENTATION OF CONCESSIONS ON A PREFERENTIAL REPEAT  
PREFERENTIAL BASIS, (B) TARIFF RECLASSIFICATION, (C)  
INCREASED SECURITY OF GSP, (D) IMPROVEMENT  
OF GSP, I.E., ALL GSP RATES TO ZERO, AND (E) BINDING OF  
PREFERENTIAL MARGINS. IT REITERATED BRAZILIAN OPPOSITION  
TO NOTIFICATION OF ITEMS OF INTEREST BY LDCS PRIOR TO AN  
AGREEMENT IN PRINCIPLE ON SPECIFIC MEASURES.

1. MEXICO, GHANA, KOREA, COLOMBIA, NIGERIA AND  
MALAYSIA EXPRESSED SUPPORT FOR STATEMENTS BY BRAZIL  
AND INDIA. KOREA WAS HELPFUL IN CITING ITS OWN LIST  
OF S&D MEASURES, SINCE LIST OMITTED NONLIBERALIZING  
MEASURES. COLOMBIA, AS ANDEAN SPOKESMAN, HYPOTHESIZED  
THE LINK BETWEEN S&D IN TARIFFS AND NTMS MIGHT  
APPROPRIATELY LEAD TO A SPECIAL SECTOR, E.G., TEXTILES,  
IN WHICH THE LDCS HAD PARTICULAR INTEREST.

12. OF DCS, SWEDEN WAS THE FIRST TO SPEAK. IT COULD  
AGREE THAT S&D MEASURES SHOULD BE AGREED PRIOR TO OR AT  
THE TIME OF ADOPTION OF THE TARIFF FORMULA. IT WOULD  
SUPPORT THE FOLLOWING TYPES OF MEASURES: ADVANCED STAGING,  
DEEPER THAN FORMULA CUTS, IMPROVEMENTS OF GSP, TARIFF  
RECLASSIFICATION, AND PROLONGATION OF GSP.

13. THE U.S., IN BRIEF STATEMENT, CITED ITS PROPOSAL  
MADE AT THE LAST MEETING, EMPHASIZING THE NEED FOR A  
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CROSS-NOTIFICATION PROCEDURE IN ORDER TO TURN THEORY

INTO PRACTICE IN THE GRANTING OF S&D. U.S. ALSO CITED THE LEGAL OBSTACLES TO BINDING PREFERENTIAL MARGINS OR PREFERENTIAL TARIFF RATES IN GENERAL. WE ALSO MADE CLEAR OUR VIEW THAT ANY AGREEMENT ON CHECKLIST OF MEASURES AS PROPOSED BY BRAZIL WOULD BE PREMATURE AND THAT WE DETECTED NO EMERGING CONSENSUS ON THIS MATTER, BUT THAT, RATHER, FURTHER REFLECTION WAS WARRANTED AND WE SHOULD REVERT TO THIS AGENDA ITEM AT THE NEXT MEETING.

14. EC WENT NO FURTHER THAN TO CITE MARCH PROPOSAL BUT EMPHASIZED ITS SUPPORT FOR IMPROVEMENT AND PROLONGATION OF GSP. IT ADDED, HOWEVER, THAT WHEN THE DCS BEGIN DISCUSSING EXCEPTIONS IN GENERAL, IT INTENDED TO LOOK QUITE CAREFULLY AT THE REQUESTS BY LDCS FOR NON-LIBERALIZING TYPES OF S&D. EC STATED THAT IT WOULD NOT BIND PREFERENTIAL RATES SINCE THIS WOULD NOT BE CONSONANT WITH THE INTENT OF GSP, BUT IT MAY PROPOSE AT NEXT MEETING SOME OTHER MEANS OF INCREASING SECURITY OF GSP.

15. CANADIANS STATED THEY HAD AN OPEN MIND ON ALMOST ALL TECHNIQUES FOR SPECIAL TREATMENT AS LONG AS THEY WERE LOOKED AT ON AN ITEM-BY-ITEM BASIS. FOR THAT REASON THEY URGED THE LDCS TO ACCEPT THE NOTIFICATION PROCEDURE SUGGESTED BY THE U.S. CANADIANS WOULD CONSIDER THE BINDING OF PREFERENTIAL RATES, BUT WITH A HIGHLY JAUNDICED EYE, NOTING THAT WHEN CANADIANS LAST HAD BOUND PREFERENTIAL RATES, IT PROVED QUITE DIFFICULT FOR THEM TO "REPATRIATE" THEIR TARIFF FROM THE UK. AUSTRIA ALSO SPOKE AGAINST THE BINDING OF PREFERENTIAL MARGINS OR RATES.

16. NEAR CONCLUSION OF DISCUSSION, BRAZIL TOOK THE FLOOR AND STATED THAT IT WOULD BE CONTEXT TO RENEW THIS DISCUSSION AT THE NEXT MEETING FEELING THAT ALTHOUGH NO DECISIONS HAD BEEN TAKEN, THE CONSENSUS WHICH HE HAD SEEN AT THE MARCH MEETING WAS "IMMERSED" BUT READY TO EMERGE.

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17 COMMENT. LDCS REALIZE THEY ARE OUTSIDE THE MAINSTREAM OF THE NEGOTIATIONS OVER A TARIFF FORMULA. NEVERTHELESS, THEY ARE ALSO COUNTING ON BEING ABLE TO EXERT SOME LEVERAGE IN FAVOR OF S&D WHEN THE DEVELOPED COUNTRIES ARE READY TO MAKE A DEAL. AT THIS POINT, THEY SEEM ANXIOUS TO PROLONG THEIR INVOLVEMENT IN THE PROCESS BY NOT TRYING TO FORCE A DECISION ON SPECIAL MEASURES PREMATURELY. END COMMENT.

18. BASE DATES:BASE RATES - AUSTRALIA, U.S., EC ALL  
STATED THAT THEIR POSITIONS ON THE QUESTION OF BASE DATE/  
BASE RATE WERE UNCHANGED. ALL PROMISED TO CONTINUE IN  
EARNEST BILATERAL DISCUSSIONS WITH THE HOPE OF BEING  
ABLE TO RESOLVE THE ISSUE AT THE NEXT SESSION. WHEN  
CHAIRMAN (PATTERSON) RECALLED THAT IN THE KR EACH COUNTRY  
MADE A UNILATERAL CHOICE OF THE BASE RATE/BASE DATE AND  
THEN UNDERTOOK TO CONSULT WITH DELEGATIONS ON  
THE MERITS AND EQUITY OF SUCH BASES, THE JAPANESE  
INTERVENED AND STATED THAT SUCH A SOLUTION WOULD NOT BE  
USEFUL SINCE IT WOULD MERELY EXTEND INTO THE FUTURE  
THE POSSIBILITY OF CONFRONTATION BETWEEN PARTIES.

19. CIF/FOB - U.S. AND CANADA STATED THEIR CONTINUING  
INTEREST IN A MEANS OF TAKING INTO ACCOUNT UNDER A FORMULA  
CIF/FOB VALUATION DIFFERENCES. OTHER COUNTRIES DID NOT  
CHOOSE TO INTERVENE AND AGENDA ITEM CARRIED OVER TO NEXT  
MEETING.

20. EXCEPTIONS - NO DELEGATIONS COMMENTED ON THIS SUBJECT.

21. PREPARATION OF A SYSTEM FOR THE RAPID EVALUATION OF  
FORMULA EFFECTS- BASED UPON A COMPROMISE SOLUTION  
DISCUSSED IN AN INFORMAL MEETING EARLIER IN THE WEEK,  
CHAIRMAN PATTERSON STATED THAT THE SECRETARIAT WOULD  
ENDEAVOR THROUGH ITS TECHNICAL ASSISTANCE UNIT TO PROVIDE  
THE KIND OF AGGREGATED "ALL LDCS" STUDY THAT HAD BEEN  
REQUESTED. COMPROMISE SOLUTION BASED UPON CONCEPT THAT  
WHILE STUDY CAN BE UNDERTAKEN BY SECRETARIAT AND DELIVERED  
TO GROUP OR GROUPS OF LDCS WHICH REQUEST IT, DOCUMENT WILL  
NOT BECOME A TARIFFS GROUP STUDY NOR WILL THE SECRETARIAT  
ITSELF ANALYZE OR MAKE JUDGMENTS FOR LDCS CONCERNING THE EFFECTS  
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OF THE ALTERNATIVE FORMULAS ON THE LDCS TAKEN AS A GROUP.

2. CHAIRMAN'S SUMMING-UP WILL BE SENT SEPTTEL.WALKER

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## Message Attributes

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**To:** STATE INFO ALL OECD CAPS  
BRAZILIA  
BUENOS AIRES  
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